

SENATE JOINT RESOLUTION 496

By Fowler

A RESOLUTION relative to greater flexibility for the several states in providing health care services under the Medicaid program.

WHEREAS, Medicaid purchases basic health care and long-term care services on behalf of 51 million Americans and is the federal government's third largest domestic program, ranking only behind spending on Social Security and Medicare (Miller, Vic; *The Medicaid Matching Formula: Policy Considerations and Options for Modification*, Public Policy Institute, September 2004); and

WHEREAS, Medicaid is also one of the largest fiscal items in state budgets, accounting in 2001 for an average of 16 percent of state-only spending and 19.5 percent of total state budgets when federal funds are included (Id.); and

WHEREAS, according to the National Conference of State Legislatures, most states faced budget deficits in their fiscal year 2003 and 2004 budgets; and

WHEREAS, according to a December 2002 Kaiser Commission study on Medicaid and the Uninsured, all but one (1) state took action in fiscal year 2003 to reduce Medicaid spending; and

WHEREAS, for fiscal year 2006, a third of the states identified Medicaid or other health care costs as a top fiscal issue ("Money Matters Top the List," *State Legislatures*, February, 2005); and

WHEREAS, sixteen states expect overruns in Medicaid early this fiscal year ("The Medicaid Spending Morass," *State Legislatures*, March 2005); and

WHEREAS, nationally, Medicaid budgets are slated to grow 12.7 percent this year, making Medicaid the program with the fastest rate of growth reported for any of the major program categories in state budgets (Id.); and

WHEREAS, a majority of states will see their federal Medicaid matching rates reduced in fiscal year 2006, resulting in a \$527 million reduction in federal Medicaid grants to states (Id.); and

WHEREAS, most states have addressed their Medicaid budget demands by some combination of reducing benefits, reducing the number of persons covered, strengthening appeals processes, attacking and prosecuting fraud, imposing co-pays, and entering into programs and arrangements whereby health care can be purchased at a discounted cost; and

WHEREAS, the general assembly believes that all such efforts, some or all of which it has pursued, will provide only temporary fiscal benefits, because such efforts do not address the fundamental nature of the Medicaid program that is draining state and federal budgets; and

WHEREAS, the general assembly believes that it is important that the states and the federal government "change the way we do business," and overhaul the over 35-year-old Medicaid laws which were written for a different time and under different circumstances; and

WHEREAS, the general assembly does not believe that needed changes will come at the federal level without a concerted effort by the affected states to bring about such changes; and

WHEREAS, the general assembly believes that the states need to be the "incubators" for such structural changes and that the states must be allowed to demonstrate other ways of delivering health care than those that are allowed under current Medicaid law and regulations; and

WHEREAS, the state of Tennessee is studying the development of a proposal that would allow for the private insurance market to develop more than one (1) type of insurance policy that would be available for the Medicaid population, in addition to other citizens without access to health care insurance, under which the state would pay, on behalf of the Medicaid eligible population, the necessary insurance premium, or a combination of a premium and

contribution to a medical savings account, or an equal amount to assist in the purchase of insurance in the private market; and

WHEREAS, the general assembly is sending a copy of this resolution to each member of Tennessee's Congressional delegation, the President of the United States of America, and the U.S. Secretary of Health and Human Services, requesting their help and cooperation in developing new means and methods of delivering health care to the Medicaid population and other uninsured populations and making the changes in federal law and regulations necessary to implement such new means and methods; now, therefore,

BE IT RESOLVED BY THE SENATE OF THE ONE HUNDRED FOURTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE HOUSE OF REPRESENTATIVES CONCURRING, that the general assembly urges the governor and legislative body of each state to join with the state of Tennessee in advocating for and requesting changes to the Medicaid law and regulations in order to provide the several states with more flexibility in the type and scope of health care services provided thereunder and the ways and means to provide those services.

BE IT FURTHER RESOLVED, that an enrolled copy of this resolution be transmitted to the governor of each of the fifty states; the respective speakers or other presiding officers of each legislative body in each of the fifty states; the Honorable George W. Bush, President of the United States of America; the Honorable Mike Leavitt, U.S. Secretary of Health and Human Services; and to each member of Tennessee's Congressional delegation.